



United States Department of Education
Office of Federal Student Aid
National Student Loan Data System

**Fiscal Year 2003 Cohort Default Rate Calculations
Technical Update GA–2004–09**

October 18, 2004

This information is intended for the person in your organization who is responsible for working with NSLDS. If that person is not you, please forward this update to the appropriate person.

Fiscal Year 2003 Cohort Default Rate Calculations

NSLDS will calculate draft and official fiscal year (FY) 2003 cohort default rates according to the following schedule:

Draft FY 2003 rates:

Calculate—January 8, 2005
Release—February 14, 2005

Official FY 2003 rates:

Calculate—July 30, 2005
Release—September 12, 2005

Please provide NSLDS with all changes that may affect the draft and official FY rates prior to the dates noted above. Required updates to borrower records must be a part of your guaranty agency's (GA's) regular submittal. NSLDS will not be able to accommodate special GA submissions. Therefore, all cohort default rate corrections must be a part of your scheduled December or January submission for the draft rates, and July or August submission for official rates.

Cohort Default Rate Use of Date Entered Repayment

The Cohort Default Rate calculation uses the Date Entered Repayment to determine which loans to count in the denominator. Therefore, you must ensure that this date is reported accurately to NSLDS. Continually moving the Date Entered Repayment may cause a loan to be counted in multiple cohort

fiscal year calculations. Or, if the Date Entered Repayment is incorrect, a loan could be counted in the wrong cohort fiscal year.

Many guarantor systems set the Date Entered Repayment based on the anticipated completion date. It is important to update the Date Entered Repayment so that it is the same as the borrower's separation date (withdrew, graduated, or less than half-time), plus grace, plus a day.

For loans closed as a result of consolidation, but which have not entered repayment, set the Date Entered Repayment equal to the effective date of the "paid through consolidation" loan status ('PC', 'PN', or 'DN'). In cases when the borrower pays the loan in full while in school or grace, and prior to the Date Entered Repayment, it is important that the Date Entered Repayment be changed to the effective date of the loan being paid in full. If a future Date Entered Repayment remains on the loan, this can cause the borrower to be counted in the wrong cohort unless it is a cancellation.

Once the loan has entered repayment, the Date Entered Repayment should not be changed except to correct an error. Do not replace an original Date Entered Repayment with the date associated with a new loan, or the date the borrower resumes repayment after deferment or forbearance.

If you have any questions, please contact the NSLDS Customer Service Center at (800) 999-8219 or e-mail NSLDS@pearson.com.